

CAPITAL PLANNING ADVISORY BOARD

Minutes of the 2nd Meeting of the 2001 Calendar Year

July 24-25, 2001

The second meeting of the Capital Planning Advisory Board of the 2001 calendar year was held on Tuesday, July 24, 2001, at 9:00 AM, and Wednesday, July 25, 2001 at 9:00 AM in Meeting Room A, Council on Postsecondary Education. Representative Perry Clark, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Perry Clark, Chair; Bill Hintze, Vice Chair; Senator Albert Robinson; Representative Brian Crall; Susan Clary; Debra Gabbard (representing Secretary James Codell); Lou Karibo; Cicely Jaracz Lambert; Glenn Mitchell; Norma Northern; Laurel True; and Garlan Vanhook.

Members of the General Assembly: Representatives Adrian Arnold, Eddie Ballard, Carolyn Belcher, Larry Belcher, Jim Callahan, James Comer, Jesse Crenshaw, Jon Draud, Bob Heleringer, Charlie Hoffman, Paul Marcotte, Harry Moberly, Russ Mobley, Rick Nelson, Fred Nesler, Tanya Pullin, Jon David Reinhardt, Charles Siler, Dottie Sims, Brandon Smith, Kathy Stein, Jim Stewart, Jim Thompson, Tommy Turner, Johnnie Turner, Ken Upchurch, and Susan Westrom. Senators Walter Blevins, David Boswell, Tom Buford, Paul Herron, Alice Kerr, Marshall Long, Ed Miller, Gerald Neal, Joey Pendleton, Dick Roeding, Richie Sanders, Dan Seum, Dale Shrout, Katie Stine, Elizabeth Tori and Johnny Ray Turner.

Guests: Secretary Viola Miller and Terry Thompson, Cabinet for Families and Children; Acting Secretary Marcia Morgan, Cabinet for Health Services; Charles Harman and Brian Easton, Workforce Development Cabinet; Secretary James Bickford, Commissioner Hugh Archer, Commissioner Bob Logan, Jack Keller, and Melanie Bailey, Natural Resources and Environmental Protection Cabinet; Secretary Kevin Flanery and Commissioner Armond Russ, Finance and Administration Cabinet; Debra Gabbard and Jim Ramsey, Transportation Cabinet; Secretary Ann Latta, John Nicholson, and Harold Workman, Tourism Development Cabinet; Secretary Marlene Helm, Kevin Graffagnino, and Sally Hamilton, Education, Arts and Humanities Cabinet; Larry Barker, Department for Military Affairs; BG Les Beavers, Department of Veterans' Affairs; Zig Grigalis, Commissioner Tom Campbell, Ken Dressman, Col. John Lile, Mike Hulet, Ron Bishop, and Ken Schwendeman, Justice Cabinet; Secretary Dana Mayton, Revenue Cabinet; Secretary Carol Palmore, Personnel Cabinet; Commissioner Billy Ray Smith, Eddie Duvall, and Bill Burnett, Department of Agriculture; Commissioner Jody Lassiter, Department for Local Government; Roger Recktenwald, Kentucky Infrastructure

Authority; Stephen Reeder and Don Morse, Kentucky River Authority; President Gary Ransdell and John Osborne, Western Kentucky University; President John Shumaker and Mike Curtin, University of Louisville; President James Votruba, Mike Baker, and Mary Paula Schuh, Northern Kentucky University; President Kern Alexander, Tom Denton, and Dewey Yeatts, Murray State University; President Ronald Eaglin, Beth Patrick, and Teresa Johnson, Morehead State University; President G. W. Reid, Kenneth Chatman, and Joe Gronefeld, Kentucky State University; President Michael McCall and Ken Walker, Kentucky Community and Technical College System; and Interim President Gene Hughes, Doug Whitlock, and Jim Clark, Eastern Kentucky University.

LRC Staff: Pat Ingram, Committee Staff Administrator; Mary Lynn Collins; Nancy Osborne, and Dawn Groves.

Chairman Clark said this is the Board's traditional two-day meeting at which it reviews all of the six-year plans that have been submitted by the agencies. Before November 1, the Board will produce a six-year statewide capital improvements plan which includes both project and policy recommendations on the state's capital needs and issues.

Chairman Clark also welcomed the members of the General Assembly in attendance, and thanked the Council on Postsecondary Education (CPE) for allowing the Board to use its facilities for the meeting. Angela Martin, CPE Vice President for Finance, was introduced and welcomed the Board to the Council's offices.

At Chairman Clark's request, CPAB Staff Administrator Pat Ingram reviewed the materials provided behind the "Overview" tab in the members' notebooks – including the timeline for the 2002-2008 capital planning process, changes since the last planning process, and the organization and content of the agency plans. She also referenced several trends in the plans that cut across agency and cabinet lines. They include the submission of several previously-authorized projects for which additional funding is being proposed, several agencies that are seeking authorization to do energy savings performance contracting, several projects that involve collaborative arrangements among agencies or postsecondary education institutions, projects (particularly in postsecondary education) being undertaken using approaches that are outside of the usual state capital construction process, and continuing difficulty in applying the existing definition of an information technology "system." Finally, Ms. Ingram reviewed the material provided in the members' notebooks for each agency plan and noted that materials for agencies that had no projects proposed for the 2002-2008 planning period were consolidated under the "Other Plans" tab.

Chairman Clark asked Ms. Ingram to proceed to the review of the agency plans. In each instance (unless otherwise noted), a CPAB review of the agency's programs, facilities, and current projects, as provided in the Staff Analysis and Comments

document, was followed by a presentation from an agency representative and questions from the Board.

Cabinet for Families and Children (CFC) – Secretary Viola Miller and Department for Facilities Management (DFM) Commissioner Armond Russ addressed the Board. Secretary Miller said the Cabinet has made progress in upgrading its space pursuant to the Workforce Improvement Project authorized in the 2000-02 budget and with the help of the Finance and Administration Cabinet. To enhance service delivery and efficiency, they are also trying to combine staff within a county into a single office. Secretary Miller said a lot of space is used for records storage, and the Document Information Management System proposed for 2002-04 would reduce the amount of paper and provide for better use of the available space. She said the Cabinet is also working very closely with the Finance Cabinet to transition the five CFC office facilities to the Department for Facilities Management by July 2002.

In response to Mr. True's question, Secretary Miller said the Cabinet continues to work on tying together all of the human resource information systems so there can be a single point of entry for client data, but some issues remain to be resolved.

Mr. Hintze asked about the eventual fate of CFC's Ashland Complex. Commissioner Russ said there are two problems with that facility. It is a former TB hospital that has been converted for use as an office building and would be very expensive to renovate. Additionally, it is too small for CFC and they are seeking other space. There is not currently another state tenant for the building. As of now, no final decisions have been made about the building, but it is Facilities Management's opinion that it needs to be closed.

Cabinet for Health Services (CHS) – Acting Secretary Marcia Morgan said that, in the past two years, with the help of this Board, the Governor's Office, and the Finance and Administration Cabinet, CHS has made significant progress in developing a plan and in maintaining the infrastructure of its facilities. She said the 2002-2008 capital plan emphasizes the timely maintenance of hospitals and facilities to protect the state's infrastructure investment, the continuation of high quality treatment areas and programs for all individuals, flexibility in addressing emergency situations and licensure issues that may affect patient health and safety, and greater statewide accessibility to pertinent health care and aging services data.

Referencing a handout that had been distributed to members, Secretary Morgan reviewed the individual projects listed in the Cabinet's plan. She said the feasibility study conducted by Luckett and Farley in 1999 had guided the projects proposed for the psychiatric hospitals. Due to budget constraints, Secretary Morgan said they had been unable to proceed with a similar study for the Intermediate Care Facilities for the Mentally Retarded (ICF/MRs), but those facilities were built in the last 25 or 30 years, and their needs are more in the area of routine maintenance than in replacement.

Secretary Morgan said CHS is also doing a cost-benefit analysis with regard to leasing space at the Veterans Affairs (VA) Medical Center in Fayette County to replace the Eastern State Hospital (ESH). ESH was designed for 1,000 patients, but now houses approximately 150 patients daily. Because it does not meet compliance standards, ESH has been granted various Licensure and Regulation waivers. Available space is leased out for offices, but they have high utility costs and lack basic amenities such as water coolers.

Responding to questions from Mr. True, Secretary Morgan said there are no plans for the state to develop more facilities to provide long-term care services. She also said the proposed Aging Client Tracking and Reporting System would be available for hospitals to use.

Several questions were asked about the possible lease of VA Medical Center space to replace ESH, and whether the state would then have the first call on purchasing the facility if it became available. Commissioner Russ said the VA is reducing the number of beds it has throughout the United States, but is not currently interested in closing the Lexington facility or selling it to the state. Secretary Morgan said the VA space was recently renovated and meets all requirements of the Joint Commission for Accreditation of Healthcare Organizations (JCAHO). There is a potential for shared patient care and services (e.g., cafeteria, maintenance, pharmacy), and to utilize the relationship between the VA and the University of Kentucky for some unique programming. She said the question of whether the VA would give the state the first opportunity to purchase the facility is a major issue in the discussions and that Department for Facilities Management and Division of Real Properties had been an invaluable help in the negotiations.

Should funding be available, Mr. Hintze asked if the ICF/MR study could be completed in time to be used in the upcoming budget process. Secretary Morgan said the psychiatric hospital study in 1999 was initiated in June and completed in November. She said that study had been very useful, and a similar study for the ICF/MRs would be beneficial not only for the Cabinet but also to policymakers who must make decisions on funding requests.

Mr. Hintze asked about the timeline for transferring ESH operations to the VA facility and what would then happen to the ESH buildings. Secretary Morgan said such a transfer would be done over a week to 10-day period. She said the current plan is to do the repairs necessary to upgrade the psychiatric hospital properties so that they can be transferred to the Department for Facilities Management. Relative to the long-range use of the ESH property, Commissioner Russ said the Department of Juvenile Justice is interested in the area now occupied by the Re-ed facilities which the Cabinet for Families and Children will be closing this summer. Other tenants in the ESH buildings are already beginning to relocate. If the property is transferred to DFM, some of the smaller out buildings would be demolished, and an effort would be made to find another state tenant

for the property. Improvements to make the facilities usable (e.g., as offices) would be expensive.

In response to Chairman Clark's question, Secretary Morgan confirmed that there are no longer any plans to close the Bingham Building at Central State Hospital.

Cabinet for Workforce Development – Charles Harman, Executive Director of the Cabinet's Budget Office, and Facilities Manager Brian Easton, described the projects listed in the Cabinet's plan and reported on the Department for Employment Services (DES) Facility Replacement and Renovation Program that was authorized in the 2000-02 budget. Mr. Easton said the Cabinet intends to apply proceeds from the sale of five DES state office buildings to the renovation of the Louisville building (\$3.4 million) so that vacant space there can be leased to generate an income stream for the Cabinet. The following buildings have been or are to be sold - Frankfort (\$800,000), Elizabethtown (\$165,000), Maysville (to be sold this summer when DES relocates to space leased from the City), Winchester (to be sold when the new state office building is completed), and Lexington (to be sold when DES moves into the Mayor's Training Center upon its completion).

In response to Chairman Clark's question, Mr. Easton said the Cabinet will ask for the Replacement and Renovation Program to be reauthorized in the 2002-04 budget.

Mr. Hintze asked about long-range plans for the Cabinet's other buildings. Mr. Harman said they have met with Commissioner Russ about DFM taking over some of the buildings, but the Workforce Development Cabinet appears to be on the list behind some other agencies. Federal funds were involved in the initial construction of the buildings and issues about the resulting federal equity complicate capital and financial planning.

Mr. Hintze also asked for a status report on the new Winchester state office building that had been authorized for the DFM in the 1998-2000 budget. Commissioner Russ said the community initially wanted to rehabilitate a downtown building, but that was not feasible. Property on which to construct a building has been identified downtown, but the state has been unable to acquire it at a reasonable price, and they are now evaluating other potential sites. A lot of planning relative to the design of the building has already been completed.

Natural Resources and Environmental Protection Cabinet – Secretary Bickford reviewed the projects submitted in the Cabinet's plan, then responded to members' questions. Relative to questions about the proposed new (replacement) tree nursery, Cabinet officials said it would generate about \$250,000 - \$350,000 annually and would probably be located in the Green River Basin, but a specific site has not been identified.

In response to questions about the deep well-monitoring system proposed for Maxey Flats, Secretary Bickford said the state will have sole responsibility for this site in

September 2002 under a 1996 Federal Consent Decree. Initially, it was believed that because of the rock structure in the area, water would not migrate off site. Further studies have indicated that there is potential off-site migration, and this equipment is intended to detect the movement of radioactive material before it reaches downstream property owners.

Chairman Clark noted the numerous Frankfort facilities occupied by the Cabinet that the Board had toured during its last meeting, and asked whether there was any way to consolidate or relocate now, rather than waiting for a new state office building. Secretary Bickford said there are problems coordinating activities because some of the current offices are far apart, but they cannot find a place large enough in which to relocate.

Finance and Administration Cabinet – Secretary Kevin Flanery, accompanied by Commissioner Armond Russ, reviewed the materials that were distributed to members including a chart showing the construction sequencing for the major Frankfort office building projects that are proposed (new construction and renovation).

In response to Representative Crall's questions, Secretary Flanery said he could provide a rendering of the master plan for the Capital Campus. Relative to cost projections, a lot of states have been renovating their Capitols and Kentucky has looked at those costs as well as the Master Plan prepared with funding from the 1998-2000 budget; Secretary Flanery and Commissioner Russ said they are comfortable with the \$215 million figure being reported as the total project cost. The cost per square foot for the new Executive Office Building is high because of the desire to have a stone facade that will fit with the other buildings on the Capitol Campus. Secretary Flanery noted that in doing a similar project, Utah constructed a building that did not match its campus, and it was later removed.

In response to Mr. Hintze's question, Secretary Flanery confirmed that the three Capitol-campus related projects listed as priorities number four, five and six for 2002-04 need to proceed in tandem. They are not discreet projects to pick and choose among.

Mr. Hintze noted that much of the funding provided previously for renovation of the State Office Building had been transferred for construction of the new Transportation Cabinet Office Building and asked if anything that resulted from the initial funding was still usable for the State Office Building renovation project as proposed in this plan. Secretary Flanery said some of the programming was usable in conjunction with design of the Transportation Cabinet Office Building. Commissioner Russ said much of the plan regarding the structural renovation work in the State Office Building will also still be usable. He noted that the \$8 million proposed for 2002-04 is not just for design, but also includes amounts for some demolition and to connect to the new central utilities plant.

Mr. True asked several questions about the state office building feasibility study. Secretary Flanery said they are finalizing the report and want to share it as soon as

possible. It will look at renting compared to alternatives that do not require an appropriation or bonding authority from the General Assembly. It will also look at variations such as three 100,000 square foot facilities instead of a single 300,000 square foot building.

Transportation Cabinet - Debra Gabbard, Executive Director of the Office of Policy and Budget, listed the priorities in the Cabinet's plan. She then explained the status of the Kentucky Vehicle Information System (KVIS) project, which was intended to replace the 20-year-old AVIS system. KVIS was developed using amounts from EMPOWER Kentucky and from the Road Fund, but Secretary Codell stopped the project four months ago due to an ongoing operating cost estimated at \$12 million. Subsequently, the vendor working on development has said it could provide the system at a much lower cost if it is outsourced to them rather than being done in-house. The outsourcing would involve providing hardware (computer terminals in the offices of the county clerks and PVAs) as well as support for the system. Ms. Gabbard said a recommendation would be forthcoming fairly soon from the Governor's Office for Technology relative to whether or not to continue with the project. Mr. Mitchell asked whether any of the improvements identified in the EMPOWER project had been implemented in the existing AVIS system. Jim Ramsey, Executive Director of the Cabinet's Office of Technology, said cash drawer functionality has been provided for nine counties but is now on hold pending a final decision on KVIS.

Responding to questions from Mr. True and Mr. Mitchell about the proposed Statewide Transportation Operations Center, Ms. Gabbard said it would serve the Central Kentucky area including Louisville. (ARTIMIS, which was a joint project between the Ohio Department of Transportation and Kentucky, serves the Cincinnati/Northern Kentucky area.) It will incorporate existing activities regarding snow and ice emergency coordination and vehicle enforcement, as well as other new functions.

Kentucky Lottery Corporation (KLC) – There was no discussion of the KLC plan following the presentation of the CPAB Staff Analysis and Comments.

After a lunch break, Chairman Clark called the meeting back to order at 1:00 PM.

Judicial Branch – Cicely Jaracz Lambert, Director of the Administrative Office of the Courts (AOC), and Garlan Vanhook, General Manager of Facilities at AOC, presented the Judicial Branch plan. Ms. Lambert explained the assessment, evaluation and prioritization process that was used to develop the 2002-2008 plan. They then presented a slide show of pictures of the 21 priorities listed for 2002-04. (A printed copy was distributed to the members.)

Mr. True asked how funding for the maintenance of courthouses is handled. He said many of the problems reflected in the slides appear to be related to lack of management and maintenance, not a lack of space. Mr. Vanhook said AOC pays its pro

rata share of maintenance costs based on its percentage of occupancy of the building. When a specific project needs to be done, the county is responsible for handling it then AOC pays the pro rata share of the cost. Mr. Vanhook said for existing buildings, AOC can reduce the amount reimbursed for maintenance but cannot require the county to repair the building. However, for projects undertaken pursuant to House Bill 734, enacted by the 2002 General Assembly, if a county is not using the maintenance dollars appropriately, AOC will be able to withhold those amounts from the county reimbursement and do the needed maintenance itself in order to protect the state's investment in the buildings. In response to Senator Robinson's question about what data are used to determine court facilities needs, Mr. Vanhook said it is a combination of census and caseload data.

Mr. Hintze said while some of the issues such as those raised by Mr. True have not yet been resolved, enormous steps have been taken to address previous problems with the planning and construction of court facilities. He said the lengthy list in the current plan is the result of having the first comprehensive inventory of needs. He noted that Kentucky has made more investment in courthouses than any other segment of the capital budget in the past six years. While the court system was changed in 1976, the effort to address facilities for the new system did not begin until 1996. Mr. Hintze also noted that new facilities are usually being constructed for the courts, such that the state is vacating the existing courthouses and leaving their needs to be addressed by local governments. He said while this is not an issue within the Board's purview, it should not go unnoticed. Mr. Hintze also said that while great improvements have been made, there are still issues to address with regard to the courthouses. The bond rating agencies have taken note of Kentucky's large investment in county courthouses, as they look nationally at how states are providing capital assistance for what were previously local responsibilities. Finally relative to Mr. True's comments, Mr. Hintze said the Board should probably periodically look at the issue of compliance with the agreements that are being put in place concerning maintenance of the new facilities.

Responding to Mr. True's question, Mr. Vanhook said AOC wants to follow a policy of having 100% court facilities in the future. Chairman Clark asked whether there had been any resistance to this from the counties. Mr. Vanhook said most local officials recognize the benefits of having additional jobs while construction is underway and then owning the facility after the debt is retired.

Representative Crall asked whether there has been any effort to save money by standardizing the design of the facilities. Mr. Vanhook said a design guide is being developed that will establish standards (e.g., for finishes) for all facilities based on the AOC needs.

Tourism Development Cabinet – Secretary Ann Latta said that in order to be competitive with other states it is essential that Kentucky's tourism infrastructure be upgraded, improved and well maintained and that new attractions come on line. She then

described the priorities of each agency within the Cabinet that had submitted a capital plan. She said the Department of Parks' plan includes not only renovation, but also funding for development including conference centers and golf courses. A new arena is needed by the Kentucky Horse Park to compete with new equestrian facilities being built in surrounding states and to offer more diversified shows. The highest priority of the Kentucky State Fair Board is to construct a new South Wing C and renovate the existing East Wing and East Hall at the Kentucky Fair and Exposition Center (KFEC).

Chairman Clark asked how the Cabinet would implement the statutory language that allows the Berea Artisan's Center to set aside facility-generated revenues in a reserve for future capital needs. Secretary Latta said the Center hopes to be self-supporting in a few years and will put aside some funds for maintenance if that is required. However, one reason for constructing such facilities is the economic impact to the community, and sometimes they cannot be both self supporting and have that economic impact.

Mr. Hintze asked for an update on the \$102 million expansion at the KFEC. Mr. Harold Workman, President and CEO of the State Fair Board, said construction documents for the expansion phase of the project, which were funded in the 2000-02 budget, are expected to be complete in the next 30 to 45 days. The last expansions at the KFEC were in 1992 (South Wing B) and 1990 (South Wing A). Having a total of 690,000 square feet of Class A space (high bay, column free, utilities in the floor) will enable Louisville to compete with other cities that have had major expansions or built new convention centers. Mr. Hintze asked if the KFEC and the Kentucky International Convention Center (KICC) downtown serve different groups. Mr. Workman said the facilities do serve different groups. In the first year after renovation and expansion of the KICC, they booked more than double the amount of the expected increase in business.

Education, Arts and Humanities Cabinet – Secretary Marlene Helm reviewed the results of the recently completed study to determine a state strategy for records archival and storage. One recommendation suggested using mobile compact shelving, which then prompted a building capacity study of the current Library and Archives facility. Four of the five options presented in the building capacity study involved retrofitting the current facility. After considering the cost, disruption of services, security issues and timing, the Kentucky Department for Libraries and Archives decided on the fifth option – construction of a building addition. (Note: This change had not yet been incorporated into the 2002-2008 plan as submitted by the Cabinet.)

Secretary Helm then reviewed other priorities in the Cabinet plan which included Phase II of the previously-approved renovation project for the Kentucky Center for the Arts (KCA), rebuilding the master control and production infrastructure for digital program development at Kentucky Educational Television (KET), a new tractor for the Kentucky Historical Society's (KHS) Historymobile, replacement of the cameras used by KET for legislative coverage, and casework to protect the portraits of the Governors at the Kentucky History Center.

Mr. Hintze asked whether the KET project relative to digitalization is to address the federal requirement that stations be able to broadcast in a digital format by May 2003 for which a substantial investment was made in the 2000-02 budget, or if this is the next step beyond that. Sally Hamilton, KET Deputy Executive Director for Administration and Support, said the 2000-02 funding allowed KET to meet the May 2003 deadline and thus avoid any licensing problems.

Representative Crall asked whether it might not be less expensive to hire out transporting the Historymobile rather than purchasing a new tractor for that purpose. KHS Director Kevin Graffagnino said the driver is well trained in Kentucky history and does a lot of educational work.

Department of Education – The Department did not make a presentation following the CPAB overview of the Staff Analysis and Comments, but Tom Engstrom, Director of Administrative Services, was available to respond to questions. Mr. Hintze noted that the Department's plan is really a major maintenance request for the Kentucky School for the Blind (KSB), Kentucky School for the Deaf (KSD), and FFA Leadership Training Center. This is consistent with CPAB's emphasis over the years that agencies need to take care of what they have so that serious problems, which generally get more attention, do not arise.

Mr. True noted that enrollment in KSD's full-time program is declining while it is increasing for the summer programs. He asked why this was the case and about enrollment projections for the School. Mr. Engstrom said he works with facilities, rather than programs, but would get back to the Board with that information.

Economic Development Cabinet – The Cabinet did not make a presentation following the CPAB overview of the Staff Analysis and Comments, but Jerry Frantz, Commissioner of the Department of Administration and Support, was available to respond to questions. Mr. True asked whether any of the funds to be allocated through the new high tech pools would be recaptured through paybacks. Mr. Hintze said there are no provisions for that. He explained that the pools were funded from one-time money in 2000-02 and no funding has been identified at this time to renew them in future biennia. Mr. Frantz added that funds from the two pools can be either loans or grants based on recommendations by the Office of the New Economy Commissioner and approval by the Economic Development Authority, as provided in House Bill 572.

School Facilities Construction Commission (SFCC) - The Commission did not make a presentation following the CPAB overview of the Staff Analysis and Comments, but Dr. Robert Tarvin, SFCC's Executive Director, was available to respond to questions.

In response to Mr. Hintze's questions, Dr. Tarvin said the unmet need peaked at a little over \$3 billion and is down to \$2.4 billion now; the number of facilities receiving a

“5” rating (the “worst” rating on the scale used to assess facility condition) has declined from 126 to 76. It has been easier to address the big needs due to the recent authorizations allowing offerings to accumulate over a four or six year period.

Mr. Vanhook said the SFCC and the Department of Education have done a good job of prioritizing and addressing the needs, as well as requiring accountability.

Department for Military Affairs – Larry Barker, Executive Director of the Department’s Office of Management and Administration, reviewed five projects in the Department’s plan. They were expansion of the emergency operations center at the Boone National Guard Center, armories for Morehead and Maysville, the next phase of the new radio system, and renovation of the Old State Arsenal in Frankfort.

Ms. Clary said it would be important for the Department to work with the Department of Juvenile Justice relative to the establishment of new sites for the Youth Challenge Program.

In response to Mr. True’s questions, Mr. Barker said that despite funding 75% of the construction costs, the federal government holds no equity in the armories, and when appropriate they are disposed of through the surplus property process used by all state agencies. Mr. Hintze explained that capital construction statutes require that if property acquired with state capital construction funds is sold, the proceeds are returned to the state treasury. Therefore, some state agencies and universities elect to lease out property rather than dispose of it. He cited the examples of the University of Kentucky’s Coldstream Research Farm and the University of Louisville’s Shelby Campus.

Department for Veterans’ Affairs – General Les Beavers, Commissioner of the Department, said the two veterans’ nursing homes currently under construction will be open early next year. He said these facilities have adequate specialty care units for patients with Alzheimer’s Disease and severe dementia, which were not provided in the existing Thomson Hood facility in Wilmore. The Department’s top priority for 2002-04 is a renovation project to address this need, as pointed out in recent inspections, at the Thomson Hood Center. General Beavers also discussed the new veterans’ cemeteries that are also listed in the Department’s plan.

In response to Mr. Hintze’s question, General Beavers said the state would have to front the costs for the special care unit at Wilmore and then apply for reimbursement by the federal government. He said Kentucky may be competing with states seeking funding for their first veterans’ nursing homes, but renovations for health and safety issues move to the top of the priorities. If federal funds are not available, the Department would finance the project with agency funds.

There being no further discussion, the first day of the meeting was recessed at 3:30 PM.

The meeting reconvened at 9:00 AM on Wednesday, July 25. Chairman Clark noted that Commissioner Ed Roberts would be representing Board member Secretary James Codell.

Justice Cabinet – Zig Grigalis from the Office of the Secretary reviewed the agencies of the Cabinet and said the main goal of the Cabinet is to continue the high standards of safety and security that are provided not only for the general public, but also for the staff working in the facilities and the offenders housed in the facilities. Items that cross departmental lines include the Unified Criminal Justice Information System as well as a proposed new training facility which is based on an approach that has already been implemented in neighboring states.

Mr. Grigalis introduced Ken Dressman, Principal Assistant in the Department of Corrections, to make a presentation on that Department's plan. Mr. Dressman said the two factors driving the Department's plan are the need to house the current felon population and the need to address the growth that is expected during the planning period (the next six years). The current population is 37,000 comprised of 15,800 in prison and 21,200 under active community supervision (primarily probationers and parolees). While projections indicate a slowing rate, the prison population is still expected to grow by approximately 3.3%, which translates to an additional 3,400 inmates by the end of the planning period. Growth in the local jail system can accommodate some of the increase, but local jails are not well suited for long-term incarceration of secure inmates and do not resolve the need for additional medium security prisons. As such, there is a proposal to construct a new correctional facility in each of the next four budgets.

Mr. Dressman noted several other items regarding their Department's plan including the importance of having a miscellaneous maintenance pool in each biennium in order to address not only known maintenance needs but also projects that were not anticipated, the long-term intent to acquire two facilities that are operated by a private prison contractor in the state and that house Kentucky inmates, and the need to upgrade the offender management system at a cost of approximately \$12.6 million. (Since this system is primarily software development, it did not qualify for inclusion as a capital item.)

Mr. Dressman next reviewed the contents of the handout listing the top four priorities in each biennium of the Department's plan. In response to Mr. Hintze's question, Mr. Dressman said Kentucky is currently not operating under any court orders; they are on an inactive docket and could be resurrected if conditions warrant.

Ms. Clary asked whether the Department is proposing any construction to address the needs of violent offenders with serious mental problems that will be housed for longer periods of time under the provisions of House Bill 455. Corrections Commissioner Tom Campbell said the Cabinet for Health Services is proposing to build such a facility on the

grounds of the Kentucky State Reformatory. He also noted that when the new Elliott County facility is completed, general population inmates can be moved from the Reformatory and allow it to house more inmates that have mental health and medical needs.

Responding to Mr. Vanhook's question, Mr. Dressman said the budget figures for Phase III of the Kentucky Correctional Institution for Women expansion will probably be higher when the Department's budget request is submitted.

Chairman Clark asked why Phase II for the Elliott County prison is being proposed prior to Phase I of another new facility as had been proposed in the last plan, and whether Knott County had been eliminated as the site for that new facility. Mr. Dressman said the change was primarily because it costs less to construct a Phase II which has already been planned than to begin a new facility, and that Knott County has not been ruled out as the site of a new facility in the future.

Ron Bishop, Deputy Commissioner for Support Services of the Department of Juvenile Justice (DJJ), was introduced to review that Department's plan. He said the DJJ has been involved in a very aggressive construction program since its creation by the 1996 General Assembly, and that the 2002-2008 capital plan is more moderate in cost than previous plans. He outlined the three major projects – construction of the final planned 48-bed regional juvenile detention center in the Daviess/Henderson/Hopkins county area to complete the Governor's proposed detention plan for the state, construction of a permanent facility for the Cadet Leadership Education Program (CLEP) to replace a pre-fabricated facility which has housed that boot camp program in Breathitt County, and construction of an additional 20-bed structure for the CLEP in Breathitt County (2006-08).

Ms. Clary asked how the CLEP in Breathitt County relates to the Youth Challenge Program for which the Department for Military Affairs (DMA) is seeking replacement and additional sites during the planning period. Mr. Bishop said both programs have a structured regimen, but the primary difference is that participants in CLEP are committed to DJJ by the courts while the Youth Challenge Program is voluntary. DJJ has had some discussions with DMA about a permanent site for the Youth Challenge Program that is currently housed at Fort Knox and subject to a 30-day cancellation notice.

Col. John B. Lile, Kentucky State Police (KSP) Deputy Commissioner for Governmental Affairs, next reviewed a handout distributed to members which provided information on each project proposed in the KSP plan.

Responding to Ms. Clary's question, Col. Lile said the proposed new training facility would be located on the Eastern Kentucky University campus in Richmond and the KSP headquarters would remain in Frankfort. Some of the hotel rooms in the Frankfort facility would be retained to house officers in Frankfort for special details or

meetings; the facility would also be used to lessen some of the crowding in the information technology services building on the other side of Frankfort.

Representative Crall asked about the per square foot cost of construction for the proposed new state police posts. Col. Lile said they had problems with the projects currently under construction so they may have estimated too high, but the figures will be refined in conjunction with the Finance Cabinet / Division of Engineering later.

Ken Schwendeman, Director of the Administrative Division of the Department for Criminal Justice Training (DCJT), reported that during the planning period, the DCJT will complete and occupy facilities now under construction and return Mattox Hall, which is currently leased to house DCJT program participants, back to Eastern Kentucky University. The Department is also proposing the construction of \$10 million in range facilities which includes \$2.5 million for driving ranges, \$6.5 million for firing ranges and \$1.0 million for contingency and architectural uses. He said the project is needed for the DCJT, but would also be shared with the Public Safety Training Center if that complex is constructed.

Mr. Hintze noted that most of the DCJT facilities in recent years have been financed from bonds with debt service supported by the Kentucky Law Enforcement Foundation Program Fund (KLEFPF), but he has concerns about the long-term viability of relying on that source for future major construction of this type.

Revenue Cabinet – Secretary Dana Mayton said the Cabinet’s capital plan focuses on technology including an infrastructure upgrade, a streamlined sales tax system, and property tax systems replacement. She said if the KVIS project proceeds, there may also be some expense since the Revenue Cabinet is a heavy user of the KVIS information.

In response to a question from Ms. Northern, Secretary Mayton said the sales tax project would allow for the collection of state sales tax on e-commerce if implemented by retailers or the Congress.

Personnel Cabinet – Secretary Carol Palmore outlined the three projects proposed by the Cabinet. The first priority is replacing the current state personnel and payroll system that was developed in 1982 with an integrated system. She said funding in the 2000-02 budget has been used for a comprehensive feasibility study and cost benefit analysis, which concluded that a commercial off-the-shelf product would be best. The 2002-04 cost would be \$3.4 million, but the total system cost will be \$38 - \$40 million over a three or four year implementation period.

The Cabinet’s second priority, expansion of the Kentucky employees self-service system, would allow agencies to view consolidated personnel records on line, and the third priority is to purchase a storage area network to consolidate data from its 22 servers.

Mr. Hintze asked how long it would take to implement the new personnel and payroll system if authority was given to proceed as quickly as possible. Secretary Palmore said it would probably take from 18-to-24 months, with another four-to-six months of the old and new systems running together.

Department of Agriculture – Commissioner Billy Ray Smith explained that the Purchase of Agricultural Conservation Easements (PACE) program currently has 126 applications pending. They represent 27,000 acres with an estimated easement value of over \$30 million. The Program has \$600,000 remaining from the \$800,000 in state General Funds appropriated for this biennium and is in the process of executing a cooperative agreement for \$460,000 in federal farm land protection program funds. The 2000 General Assembly provided \$3,750,000 in Phase I Master Tobacco Settlement Funds for two years of debt service for a \$25 million bond issue to be used for farmland preservation. Of that bond issue, \$15 million is being provided to match funding in the Fayette County Purchase of Development Rights (PDR) program and \$10 million is being provided to the statewide PACE program. In May, the PACE Board imposed three additional criteria which award additional points to applications from tobacco dependent counties, to applications on farms in close proximity to farms with existing agriculture conservation easements, and to applications in areas clearly identified as having highly productive farm land threatened by development.

For 2002-04, the Department is seeking an additional \$25 million bond issue with debt service to be financed from the Phase I Tobacco Settlement Funds, as well as \$4 million from the state General Fund. Commissioner Smith noted the General Funds are proposed because Governor Patton has said the Tobacco Settlement Funds are not intended to replace General Funds already going to the PACE program.

Northern Kentucky Regional Special Events Center – Chairman Clark said the Board would depart from the published agenda for a few minutes to hear a presentation on this proposed project. Representative Jim Callahan said the Northern Kentucky area learned a few years ago that it was best to come to Frankfort with a united voice, and as such, the Consensus Committee was established. Representative John Draud said this project is a bipartisan effort which already has support from the Governor, the Speaker of the House of Representatives, and the President of Senate, as well as other legislators. Senator Dick Roeding said this project is needed because Northern Kentucky University (NKU) is the only university lacking this type of facility.

John Fennin, President of People's Bank of Northern Kentucky, said the proposed facility would serve the university as well as the community. It is a totally different type of facility with a different mission than the recently-constructed Northern Kentucky Convention Center. He said the Convention Center is intended to serve needs that will bring individuals to the community to stay in the hotels, etc. while the new facility is to address the demand for a location to hold community events such as athletic tournaments and graduations.

Mr. Fennin said the facility would be approximately 160,000 gross square feet with seating of 7,500 for concerts, eight luxury suites, and 300 VIP seats. The total cost is \$42.9 million. The community will pay approximately \$1 million to relocate a baseball diamond on NKU property that is to be the site of the Center, and they expect to receive about 10 percent of the cost of the project for naming rights. The nonrecurring economic impact is estimated at \$100 million and the recurring annual impact is estimated at \$4 million. Mr. Fennin said a feasibility study supports these figures.

Mr. Bill Urbanbeck, a member of the NKU Board of Regents, said the University has some good athletic facilities, but the gymnasium is inadequate. He said more space is needed for both University and community events.

Mr. Gary Bricking, Chairman of the Northern Kentucky Consensus Committee, said it heard presentations from 12 or 15 organizations, all of whom were seeking support for excellent projects, but the Special Events Center emerged as the top priority when the Committee voted.

Chairman Clark said he appreciated the presentations and noted that some great things are happening in Northern Kentucky

In response to Mr. Hintze's questions, Mr. Fennin said there would be permanent seating for 6,500 people and 7,500 people would be accommodated for concerts. An additional construction project could expand the facility to seat 10,000. NKU President James Votruba said the currently-proposed size should be adequate for the next seven or eight years, and that the design is intended to facilitate expansion if NKU decides eventually to go to Division I in athletics.

Department for Local Government (DLG) – Commissioner Jody Lassiter explained that the unexpended balance of approximately \$5 million in the Flood Control Matching program is somewhat misleading. He said the projects take a long time, and two major projects will reduce that balance significantly when the memoranda of agreement are completed. He noted that DLG is trying to be more aggressive and accountable in managing its projects. For the Flood Control Matching Program, they are seeking \$2.5 million in state General Funds and \$5.5 million in state bond funds for the upcoming biennium (2002-04).

Commissioner Lassiter also addressed the proposal for \$12 million in each biennium for Renaissance Kentucky, which is a competitive program to provide funding for downtown infrastructure projects. Funds are appropriated to DLG, but the program is administered by the Kentucky Housing Corporation.

Kentucky Infrastructure Authority (KIA) – Roger Recktenwald, Executive Director of KIA, explained the process in place to distribute the \$50 million of bond

funds for water resources projects that were authorized in the 2000-02 budget (the 2020 program). He said there have been 822 project requests totaling \$922 million. Criteria being used for evaluating the projects include whether they address an area that is unserved or underserved, and whether they are regional projects. Regionalization may involve management issues, not just the physical plant. The awards will be contingent upon the applicant securing the balance of the needed funds. Only 50 percent of the project cost will be covered by the KIA grant.

Mr. Hintze asked how the water projects that were funded as individual Community Development projects in the 2000-02 budget are being coordinated with this overall planning effort. Mr. Recktenwald said those funds are often being used as the match for the 2020 program applications.

Mr. Recktenwald added that KIA is trying to develop a digital map that will show the needs that have been addressed and those that remain.

Kentucky River Authority (KRA) – Executive Director Stephen Reeder said the approach being taken by the Authority is to renovate the dams to address structural problems, then to address the locks if the funding is available. He noted US Representative Ernie Fletcher has secured a federal authorization of \$24 million for Dam 10. Dam 10 was transferred from the federal government to the state in 1996.

Mr. Reeder said Lexington's concern is having an adequate water supply which would require raising some of the pools; however, that is dependent upon the environmental impact statements that have yet to be completed. KRA's goal is to use federal funds to stabilize Dam 10 and to add a maximum of four feet in order to increase water supply. It is also proposed that Dam 9 and Dam 11 be stabilized and increased by a maximum of four feet if environmentally and structurally possible. Current agency receipts would be sufficient to finance capital projects in the 2002-04 biennium. Water withdrawal fees would be raised in future biennia if all projects were undertaken and no other source of funding was available. Replying to Senator Robinson's question, Mr. Reeder noted that the Kentucky River Basin touches all or a part of 42 counties and impacts about 780,000 people in the state.

In response to Mr. Mitchell's questions, Mr. Reeder said KRA's water supply goal is to increase by the year 2020 the raw water available in order to survive a 1930's level drought. Based on modeling the Kentucky River, it was determined there is a nine billion gallon deficit that could be reduced by one-third through the installation of water valves in downstream locks (which has been accomplished), by one-third through conservation measures, and the final one-third or 3 billion gallon deficit would be eliminated by raising the three dams at 10, 9, and 11.

After breaking for lunch, Chairman Clark called the meeting back to order at 1:00 PM to review the plans of the postsecondary education institutions.

Western Kentucky University (WKU) – President Gary Ransdell said WKU does not plan to seek state funds for new buildings on the main campus over the next three biennia, but instead to focus on needed renovations. The first priority for 2002-04 is additional funds to renovate four buildings that comprise the WKU science complex. Other proposed renovations include Florence Schneider Hall (which would be converted from student housing to be the Kentucky Academy for Math and Science serving high school juniors and seniors), Van Meter Auditorium, Garrett Conference Center (which would become the center of WKU's information technology programs), and Gordon Wilson Hall. President Ransdell said WKU's top off-campus priority is a joint project with the Kentucky Community and Technical College System to construct a regional postsecondary education center in Owensboro. WKU also needs to convert its television station (WKYU) to meet a federal mandate for digital transmission by 2003. Finally, President Ransdell referenced a recently-completed study that identified \$64 million in deferred maintenance needs of academic buildings at WKU.

President Ransdell also listed three other projects affecting the WKU physical plant. They are the transfer of dormitories to a new Student Life Foundation in 2000 so that entity (through the Warren County Fiscal Court) could issue bonds for their renovation, the proposed transfer of Diddle Arena to the City of Bowling Green who would then issue bonds for its renovation, and the conveyance of approximately 2.5 acres of property to be the site of the new Southern Kentucky Performing Arts Center.

In response to Mr. Vanhook's question about the Diddle Arena transfer, President Ransdell said the university will be responsible for managing and maintaining the facility under a management agreement to be signed with the City of Bowling Green. The intent is to use ticket revenues from athletic activities to fund the debt service on bonds that will be used by the City. Mr. Hintze explained that a group representing various relevant state entities (e.g., Finance and Administration Cabinet, Auditor of Public Accounts, Attorney General's Office, Council on Postsecondary Education) is currently reviewing WKU's proposal concerning Diddle Arena, and it will be discussed at the Capital Projects and Bond Oversight Committee's August 21 meeting.

Ms. Northern asked how having a residential facility would benefit the Academy for Math and Science. President Ransdell said other states have similar programs, and it would give these gifted students in Kentucky an opportunity to live and study together. The facility is at WKU, but funding for the program would not necessarily come through the WKU budget.

Mr. Hintze asked whether the funding proposed for the WKYU digital transmission system is only to address the 2003 mandate or whether it provides capabilities beyond that legal requirement. President Ransdell said it is necessary to retain the broadcast license for WKYU.

Mr. Mitchell noted that WKU is one of the first examples of a state agency in Kentucky using energy savings performance contracting. Mr. John Osborne, NKU Vice President for Student Affairs, said they are very pleased to be moving ahead with this approach, which will be a way to address deferred capital renewal by paying for the projects from energy savings. WKU has completed an audit of ten buildings and anticipates projects that will make \$10 million of improvements.

University of Louisville (UL) – President John Schumaker reviewed a handout provided to members which reported on UL’s progress toward its goal of attaining preeminence as a metropolitan research university by the year 2008. Indicators of success included the number of endowed chairs, federal funding, endowment growth, and nationally-recognized programs. President Schumaker said these data show that the state’s investment in helping to build the research infrastructure at UL has been successful. He explained that the University’s top priority for 2002-04 is a third major research facility for the Health Sciences Campus in downtown Louisville to house oncology and cardiology programs. He noted that top researchers will not come to the University unless the facilities they need are available.

President Schumaker said there is a deficit in the amount of recreational space on the UL campus at a time when the residential population is increasing due to the United Parcel Service/Metropolitan College program and the construction of new dormitories using private financing. The new natatorium being proposed has a \$27 million cost, but President Schumaker said it can be constructed in modules, and UL could probably raise private funds to match any amounts provided by the state. President Schumaker said UL’s third priority is a replacement pool for instructional and research equipment.

University of Kentucky (UK) – Ms. Ingram explained that review of the UK plan had been deferred to the August 24 meeting at the request of President Lee Todd.

Northern Kentucky University (NKU) – President James Votruba outlined NKU’s role in the Northern Kentucky community through 11 off-campus learning sites (none of which involve a “bricks and mortar” commitment by the University), the Metropolitan Education and Training Services (METS) unit, and various partnerships with local companies and organizations. He referenced materials distributed to the members which included a copy of NKU’s recently updated master plan map.

President Votruba reviewed NKU’s top priorities including renovation to convert the old science building to a general purpose classroom facility, structural repairs to the Landrum Academic Center, a new student center, and the Northern Kentucky Regional Special Events Center. President Votruba said NKU is also looking at a privatized approach to increasing residential space for students.

In response to questions about funding for the student center, President Votruba said a student fee had already been levied and \$3.3 million in accumulated funds can be

applied to the project. Additionally, the students voted to double the fee to support \$8.5 million of debt. (The facility has a total cost of \$27.4 million of which students would support 43 percent of the cost.)

Murray State University (MuSU) – President Kern Alexander reported that MuSU has expanded into Hopkinsville, and proposes to do the same thing in Henderson and Madisonville.

MuSU's top priority for 2002-04 is Phase II funding for its new science complex to replace the existing Blackburn Science Building. The next priority is a student recreation/wellness center. President Alexander referred members to the handout on his presentation which included pictures of similar facilities on other campuses. Other MuSU priorities are to construct an agricultural technology telecommunications center, to construct a postsecondary education center in Henderson, and to construct a new Breathitt veterinary center in Hopkinsville.

In response to Mr. Hintze's question, Dr. Alexander said the veterinary center would be an addition to the existing center in Hopkinsville but at a different site (the new south campus). MuSU would keep some operations at the current facility.

Mr. Vanhook noted that some universities use student fees to help fund projects like the wellness center, and asked whether something similar would be done at MuSU. President Alexander said such a fee has not been established, but students have told the Board of Regents that they would support having one for this project.

Kentucky Community and Technical College System (KCTCS) – President Michael McCall noted that postsecondary education's goal of enrolling 80,000 additional students by the year 2020 calls for 50,000 of those students to come to KCTCS. He said KCTCS has a strong process for prioritizing the capital needs of its 28 institutions which comprise 50 different campuses. The system's number one priority is technology infrastructure to unify the two entities (the former UK community colleges and the former Kentucky Tech institutions) that came together to form KCTCS. President McCall then reviewed the next nine priorities which are capital construction projects. They include projects in cooperation with other institutions that would be located in Ashland, Owensboro and Franklin-Simpson, as well as a renovations project for Maysville, an economic development project in Hindman, and a project to construct a new facility for the central office.

Morehead State University (MoSU) – President Ronald Eaglin listed MoSU's top three priorities for 2002-04 as phase II of the student center renovation/addition project, construction of a new space science center, and funding for maintenance needs. He explained the process by which, in the current biennium, MoSU is getting a NASA satellite tracking station that was previously located at Wallops Island Virginia; this has resulted in the proposed science center project.

Kentucky State University (KSU) – President G.W. Reid noted that KSU is in a period of major transition, and the emphasis in its capital plan is on upgrading existing facilities rather than new construction. He noted that many of the buildings were renovated at the same time in the 1980's and so are in need of renovations now at the same time.

Mr. Hintze asked for an explanation of the two previously-authorized projects that are in need of additional funding (Hill Student Center Renovation/Addition and Hathaway Hall Renovation). President Reid said the initial requests for funding of these projects were inaccurate and understated the need, and there have probably also been unanticipated cost increases. Specifically regarding the student center, a planned addition to provide a new ballroom has been deleted from the project as currently funded. Responding to Mr. Vanhook's question, President Reid said the work to be done with the additional funding that is proposed would not require redoing anything that is being done under the initial authorization.

In response to a further question from Mr. Hintze, President Reid confirmed that the Expand Business Wing and Renovate Bradford Hall project, which is priority #2, is a higher priority for KSU than completion of the previously-authorized Hathaway Hall project, which is listed as priority #3.

Eastern Kentucky University (EKU) – Interim President Gene Hughes said he was finding Kentucky to be very farsighted in terms of what it does in capital, in planning for regional development, and in a variety of other things. He noted that the plan being reviewed by the Board had been prepared by a former president, but he was accompanied by staff who are familiar with it. Those staff were Doug Whitlock, Vice President for Administrative Affairs, and Jim Clark, Vice President for Governmental Relations.

Mr. Whitlock said the top three priorities are continuations of previously authorized projects – University Activity Center-Phase II, Business/Technology Center-Phase II, and Extended Campus Corbin-Phase II. He noted that the project to convert Mattox Hall to offices/classrooms may be moved to the next biennium; it is a dormitory that is currently used to house participants in Department for Criminal Justice Training programs, but will no longer be needed for that purpose when the new DCJT facility is completed. However, it may need to be retained for ECU housing rather than converted for other uses. Mr. Whitlock noted that various other projects in the ECU plan are dependent on what happens with the Business/Technology Center. Finally, he explained that ECU can use the conventional funding approach involving agency bonds for the proposed housing system upgrades because the retirement of various housing system bonds over the coming few years will make that revenue stream available for new bonding.

Mr. Clark added that ECU is updating its facility master plan, and when it is completed may need to make some minor adjustments in the capital plan. Mr. Whitlock said the master plan will address the potential for construction of a Kentucky Public Safety Training Center as discussed earlier in the meeting. In response to a question from Mr. Mitchell, he said the infrastructure costs for those projects would be borne by the Justice Cabinet.

Responding to a question about the status of sprinklers in the ECU dormitories, Mr. Whitlock said all of the residence halls will have sprinklers when school opens this fall.

Chairman Clark said this concluded the agenda for the two-day meeting. He said after hearing presentations from the state's Chief Information Officer and the Council on Postsecondary Education at the August 24 meeting, the Board will begin developing its project recommendations.

Chairman Clark and the Board thanked the CPAB staff for their work on the meeting. Ms. Ingram noted that numerous LRC staff had helped with this meeting, and that planning personnel at the various agencies had also been very helpful in addressing questions raised by CPAB staff about their projects.

There being no further discussion, the meeting was adjourned at 3:48 PM.